



**[4910-13]**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Parts 21 and 45**

**[Docket No.: FAA-2013-0933; Amdt. Nos. 21-98, 45-29]**

**RIN 2120-AK20**

**Changes to Production Certificates and Approvals**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** The FAA is amending certification procedures and marking requirements for aeronautical products and articles. The amendment requires production approval holders to identify an accountable manager who is responsible for, and has authority over, their production operations and serves as the primary contact with the FAA; allows production approval holders to issue authorized release documents for aircraft engines, propellers, and articles; permits production certificate holders to manufacture and install interface components; requires production approval holders to ensure that each supplier-provided product, article, or service conforms to the production approval holder's requirements and establish a supplier-reporting process for products, articles, or services that have been released from or provided by the supplier and subsequently found not to conform to the production approval holder's requirements; removes the requirement that fixed-pitch wooden propellers be marked using an approved fireproof method; and changes the title of part 21 of title 14 of the Code of Federal Regulations. This

amendment updates FAA regulations to reflect the current global aeronautical manufacturing environment, thereby promoting aviation safety.

**DATES:** Effective [INSERT DATE 180 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** For information on where to obtain copies of rulemaking documents and other information related to this final rule, see How To Obtain Additional Information in the SUPPLEMENTARY INFORMATION section of this document.

**FOR FURTHER INFORMATION CONTACT:** For technical questions concerning this action, contact Priscilla Steward or Robert Cook, Aircraft Certification Service, Production Certification Section, AIR-112, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone (202) 267-1656; e-mail: [priscilla.steward@faa.gov](mailto:priscilla.steward@faa.gov) or telephone: (202) 267-1590; e-mail: [robert.cook@faa.gov](mailto:robert.cook@faa.gov).

For legal questions concerning this action, contact Benjamin Jacobs, Office of the Chief Counsel, Regulations Division, Federal Aviation Administration, 800 Independence Avenue, SW, Washington, DC 20591; telephone: (202) 267-7240; e-mail: [benjamin.jacobs@faa.gov](mailto:benjamin.jacobs@faa.gov).

## **SUPPLEMENTARY INFORMATION:**

### **Authority for this Rulemaking**

The Department of Transportation (DOT) is responsible for developing transportation policies and programs that contribute to providing fast, safe, efficient, and convenient transportation under § 101 of Title 49, United States Code (49 U.S.C.). The Federal Aviation Administration (FAA, we, us, or our) is an agency of DOT. The FAA has general authority to issue rules regarding aviation safety, including minimum

standards for articles and for the design, material, construction, quality of work, and performance of aircraft, aircraft engines, and propellers under 49 U.S.C. §§ 106(g), 44104, and 44701.

The FAA is amending its regulations governing certification procedures for products and articles, and its requirements for identification and registration marking. These changes improve the quality standards applicable to manufacturers and help to ensure that products and articles are produced as designed and safe to operate. For those reasons, these amendments are a reasonable and necessary exercise of our rulemaking authority and obligations.

## **I. Executive Summary**

### **A. Purpose of the Regulatory Action**

This final rule changes certification and marking requirements for products and articles. In particular, this final rule:

- Requires applicants for a production approval and production approval holders (PAHs) to identify an accountable manager;
- Allows a production certificate (PC) holder to manufacture and install interface components (IC) under certain conditions and limitations;
- Clarifies that a PAH must ensure that each supplier-provided product, article, or service conforms to the PAH's requirements;
- Requires a PAH to establish a supplier-reporting process for products, articles, or services released from or provided by a supplier and subsequently found not to conform to the PAH's requirements;
- Allows a PAH that establishes an FAA-approved process in its quality system

to issue authorized release documents (using FAA Form 8130-3) for new and used aircraft engines, propellers, and articles produced by that PAH; and

- Excludes fixed-pitch wooden propellers from the requirement that a propeller, propeller blade, or propeller hub be marked using an approved fireproof method.

Regulations pertaining to certification requirements for products and articles are in part 21 of Title 14 of Code of Federal Regulations (14 CFR). Marking requirements are in 14 CFR part 45.

This final rule requires applicants for a production approval and production approval holders (PAHs) to identify an accountable manager who is responsible for, and has authority over, a PAH's operations. This individual would also serve as a PAH's primary contact with the FAA. Additionally, this amendment requires PAHs to amend, where applicable, the documents required by §§ 21.135, 21.305, and 21.605 to reflect the appointment of an accountable manager.

This final rule allows a production certificate<sup>1</sup> (PC) holder to manufacture and install interface components (IC) under certain conditions and limitations. This final rule defines an IC as an article that serves as a functional interface between an aircraft and an aircraft engine, between an aircraft engine and a propeller, or between an aircraft and a propeller. Under this rule, an IC is designated as such by the type certificate (TC) or the supplemental type certificate (STC) holder who controls the approved design data for that article.

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<sup>1</sup> Section 21.1(b)(6) defines production approval as a document issued by the FAA to a person that allows the production of a product or article in accordance with its approved design and approved quality system, and can take the form of a production certificate, a PMA, or a TSO authorization.

This final rule clarifies that a PAH must ensure that each supplier-provided product, article, or service conforms to the PAH's requirements. This final rule also requires a PAH to establish a supplier-reporting process for products, articles, or services released from or provided by a supplier and subsequently found not to conform to the PAH's requirements. A PAH's reporting system may require suppliers to report nonconformances to the PAH directly, or to other suppliers in the supply chain.

This final rule allows a PAH that establishes an FAA-approved process in its quality system to issue authorized release documents (using FAA Form 8130-3) for new and used aircraft engines, propellers, and articles produced by that PAH. This provision allows PAHs privileges similar to those afforded European- and Canadian-approved manufacturers.

This final rule amends part 45 to exclude fixed-pitch wooden propellers from the requirement that a propeller, propeller blade, or propeller hub be marked using an approved fireproof method. This exclusion allows manufacturers to mark their products in a practical manner that takes account of the inherent nature of wooden propellers.

This final rule amends the title of part 21 to include articles. The title is now "Certification Procedures for Products and Articles."

#### B. Summary of Costs and Benefits

The provisions of this final rule (1) are minimal cost, (2) impose no additional costs because the provisions clarify only, or are current practice, or (3) are voluntary and therefore inherently cost-beneficial. Our analysis described in the notice of proposed rulemaking (NPRM) regulatory evaluation has not changed. The FAA received no comments to the docket on the NPRM regulatory evaluation.

## **II. Background**

Part 21 of 14 CFR contains the FAA's regulations concerning certification procedures for products, articles, and parts. Since the FAA codified part 21 in 1964, it has been amended numerous times. Additionally, the origins of many part 21 regulations can be traced to the Civil Air Regulations codified in 1937.

When part 21 was first codified, most manufacturers of aviation products and articles had a small, local supplier base. Production certificate holders oversaw the manufacture of replacement parts, and the international market for aviation products was relatively small. As a result, for many years the U.S. had few bilateral agreements with other countries for the export and import of aviation products, and these agreements were limited in scope.

Today, aviation products are manufactured world-wide. The number of suppliers has increased dramatically, and these suppliers manufacture an increasing percentage of a given product or article. Furthermore, due to the global nature of manufacturing, forming business partnerships and agreements across large geographic areas is now a common strategy to lower costs, share risks, and expand markets. Manufacturers collaborate globally to reduce duplicate requirements for shared suppliers. Accordingly, the international market for aviation products and the production of replacement parts under parts manufacturer approvals (PMAs) have increased dramatically.

In recognition of these and other related considerations, the FAA published an NPRM, Changes to Production Certificates and Approvals, on February 27, 2014, 79 FR 11012. The NPRM proposed numerous rule changes to part 21, primarily to subparts A (General) and G (Production Certificates). For greater detail on the FAA's initial proposal, including additional background information and a more complete statement of the problem, refer to the NPRM.

### **III. Discussion of Public Comments and Final Rule**

In response to the FAA's NPRM, we received comments from 19 commenters, raising 32 issues. Commenters included aviation manufacturers and equipment manufacturers, such as Boeing, Garmin, General Electric, HEICO, Textron, Timken, and Williams International; industry groups and associations, such as Aerospace Industry Association (AIA), Aviation Suppliers Association (ASA), and Modification and Replacement Parts Association (MARPA); and numerous individuals. The comments covered five main topics and a range of various responses to the rulemaking proposal, which are discussed in more detail below.

#### **A. Supplier Control**

This final rule makes two amendments to § 21.137(c)(1) & (2). First, as proposed, § 21.137(c)(1), which previously required a PAH to develop procedures to ensure that a supplier-provided product or article conforms to its approved design, now also requires those procedures to account for supplier-provided services. Second, as proposed, the standard for supplier control is revised in both § 21.137(c)(1) & (2) to require suppliers to furnish products, articles, or services that conform to the PAH's requirements. Prior to this final rule, supplier-provided goods and services had to conform to FAA-approved design data.

HEICO recommended amending the proposed § 21.137(c)(1) to include services provided to a design approval holder. The commenter noted that many design approval holders outsource portions of the overall design process and these 'services' must also be properly controlled. The commenter's recommendation is outside the scope of this rulemaking, which focuses on production approvals and PAH activities, and not on

design approval certification activities. PAHs are not responsible, under § 21.137, for design approval holder activities.

ASA and MARPA recommended that, in addition to requiring a PAH to require suppliers to provide products, articles, or services to meet the PAH requirements, the FAA should also continue to allow a PAH to accept products, articles, or services that conform to the PAH's approved design. The commenters' rationale was that this final rule creates two separate rules with respect to conformity of products and articles; one standard for when a company is acting as a supplier, and another standard when it is acting as a distributor. The commenters claimed that an entity functioning as a supplier to a PAH would be required to ensure that the product or article conformed to the PAH's requirements. However, if that same entity, operating as a distributor, were to sell their products in the aftermarket as replacement parts, for instance to a repair station or an air carrier, they would still be required to ensure that the product or article conforms to its approved design. Both commenters suggested that this situation could result in confusion and unintended harm to suppliers, and recommended revising proposed § 21.137(c)(1) to allow products, articles, or services to conform to either the PAH's requirements *or* the approved design.

The FAA disagrees with the recommendation. With respect to the commenters' claim that this final rule creates two separate rules for suppliers and distributors in the aftermarket, we presume that the commenters used the term "aftermarket distributor" to mean that the distributor is acting as a supplier to an entity other than a PAH. Regardless, this provision does not create two separate standards. All suppliers to any purchaser continue to be bound by contract to the terms of any relevant purchase order. In the case of suppliers to a PAH, the final rule removes the requirement to report deliveries that



conform to the purchase order but do not conform to the PAH's final approved design.

Aftermarket distributors who are not suppliers, on the other hand, are outside of the scope of part 21. The FAA does not regulate aftermarket distributors under these regulations.

The commenters also suggested that, under this final rule, a supplier providing the same part with different specifications to both a PAH and an aftermarket customer, such as a maintenance provider, could be at risk of inadvertently sending design-conforming parts (intended for the aftermarket customer) to a PAH, instead of parts that met the PAH's unique specifications. The commenters suggested that the supplier in that situation should not be punished for providing an article that conforms to its approved design.

The FAA disagrees with the comment that this change will punish any supplier who provides nonconforming products, articles, or services. This provision is not intended as a means to punish suppliers. The FAA does not directly regulate suppliers; instead, this final rule requires that a PAH's quality system include a supplier-reporting system. Under this final rule, a PAH must establish procedures for supplier reporting of supplier-provided products, articles, or services that deviate from the requirements of the PAH's purchase order. This gives a PAH flexibility to determine the appropriate level of reporting because it is the PAH and only the PAH who knows what is needed, and in what condition, for the production process. To clarify, this final rule does not require a PAH to report to the FAA those supplier nonconformances that remain within the PAH's quality system.

Relatedly, ASA and MARPA stated that the proposed rule could indirectly require a supplier to report nonconformance higher up the supply chain, even when the supplier provided a product or article that conformed to its approved design. The commenters

again recommended that the final rule allow suppliers to provide products or articles that conform to either the PAH's requirements *or* the approved design.

The FAA disagrees with the recommendation. This final rule replaces the existing requirement that a supplier-provided product, article, or service conform to the PAH's approved design with a requirement that it conform to the PAH's requirements. The purpose of this amendment is to tailor the regulation to its original intent. For example, a PAH may issue a purchase order for sheet metal parts, and state on the purchase order that the rivet holes are to be drilled to less than the finished dimensions of the approved design. The PAH may request pilot drilling by the supplier because the PAH will itself drill the holes to the finished size upon assembly. If the supplier provides the items with the holes drilled to the finished dimension, the sheet metal parts would not conform to the PAH's requirements. The supplier would be supplying nonconforming material even though it would conform to the approved design. Under this final rule, therefore, a supplier may not deviate from the requirements of the PAH. It is the PAH, and only the PAH, that knows what is needed, and in what condition, for the production process.

An individual commenter stated that the NPRM changes the definition of "quality escape," as the phrase is used in § 21.137(n), from nonconforming products or articles which escaped a PAH's quality system to products or articles which do not conform to their approved design but are contained within the quality system. The commenter recommended that we distinguish between nonconforming products or articles still within the PAH's quality system, and nonconforming products or articles that escape a PAH's quality control system.

Section 21.137(n), which is not revised by this rule, addresses quality escapes by requiring a PAH to have procedures for, among other things, identifying and taking

corrective action whenever a PAH releases a nonconforming product or article from its quality system. In our NPRM, we stated that this proposal would require a PAH to establish a supplier reporting process for products, articles, or services that have been released from a supplier and subsequently found not to conform (hereafter referred to as a quality escape) to the PAH's requirements. We believe the commenter's confusion derives from our use of the term "quality escape" to describe the transfer of nonconforming items or services between tiers in the supply chain, instead of its traditional meaning of nonconforming products or articles that leave a PAH's quality system. We acknowledge that our preamble discussion in the NPRM used the term in a confusing manner. However, we determine that no change to the terms of § 21.137, as originally proposed, are necessary. The reporting requirements of § 21.137(c) apply when a supplier to a PAH determines that it has released or provided a product, article, or service subsequently found not to conform to the PAH's requirements, and do not include the phrase "quality escape."

Boeing recommended that the FAA require PAHs to communicate design change notifications throughout the supply chain, and adopt the industry's SAE<sup>2</sup> AS9016 standard for standardization of design change notifications, because it believes this will address the single most common reason for quality escapes from the supply chain.

The FAA disagrees with the recommendation to regulate PAHs' use of SAE AS9016 because we believe this subject is adequately addressed by our current regulation, § 21.137(a), design data control, which requires that only current, correct, and approved data is used. In addition, we do not believe that we should mandate, by rule,

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<sup>2</sup> Formerly known as the Society of Automotive Engineers.

the use of an industry standard over which we have no control. This final rule requires a PAH to ensure that any product, article, or service it receives conforms to its requirements. If a PAH chooses, it may, as part of a purchase order, require its supply-chain to adhere to the AS9016 standard.

Williams International stated that it is unnecessary to require a PAH to report supplier nonconformances that remain contained within the PAH quality system. Williams International further stated that the proposed requirement for reporting of released nonconformances is already required by a PAH. FAA Advisory Circular (AC) 00-58, Voluntary Disclosure Reporting Program, further provides a means for a voluntary disclosure of such releases.

Although the commenter did not provide a recommendation, the FAA disagrees with the commenter's premise. Before this final rule, a PAH's supplier-reporting process required each supplier, at any tier, to report to the PAH any product, article, or service that did not conform to the PAH's FAA-approved design. The FAA recognizes that this requirement had the potential to impose significant burdens on a PAH and that, in many cases (such as suppliers of standard parts), a supplier may not have known the ultimate customer. This final rule amends § 21.137(c) to provide every PAH greater flexibility to determine which nonconformances its suppliers should report, and to whom.

An individual commenter suggested that all tiers in the supply chain should report to a PAH any nonconforming products, articles, or services that have been released from or provided by that supplier and subsequently found not to conform to the PAH's requirements. More specifically, the commenter suggested that the FAA require each supplier, in some instances, to report a nonconformance to each level up the supply chain, and ultimately to the PAH and the PAH's customer. Another individual recommended

the FAA keep the current regulation which requires suppliers to report quality escapes to the PAH, and provided no further rationale.

The FAA disagrees with the commenters' recommendations. In the past, a PAH's supplier-reporting system required every manufacturing supplier and affected downstream suppliers to report to the PAH all products or articles which did not meet the PAH's approved design, even if those products or articles met the PAH's actual requirements. The FAA recognizes that this past requirement could have imposed a significant burden on PAHs, and this final rule is intended to maintain safety while also providing PAHs with the flexibility to determine which suppliers should report, and to whom.

#### B. Accountable Manager

As the FAA proposed in the NPRM, this final rule amends §§ 21.135, 21.305, and 21.605 to require a PAH to provide the FAA with a document identifying the organization's accountable manager. The accountable manager is responsible for, and has authority over, all part 21 production activities. It is not the FAA's intent that this provision dictates who is responsible for PAH production operations. It is also not the FAA's intent that this provision imposes personal liability for production operations on the accountable manager. The FAA is simply requiring each PAH to identify for the FAA the individual or individuals within the PAH's organization who the PAH considers responsible for all production operations.

Boeing, MARPA, and Timken Aerospace recommended that an accountable manager have the ability to identify and delegate functions to alternate points of contact. These commenters noted that the person responsible for accountability may be a company president or chief executive who cannot reasonably be available at all times.

Allowing delegation increases the FAA's access to the PAH and provides redundancy in the event of personnel turnover, in accordance with the intent of this final rule.

The FAA agrees with the commenters with respect to delegation, but determines that no change to the proposed rule language is necessary. To clarify, the accountable manager may delegate functions and identify alternate points of contact. These actions should be noted in the PAH's organization document. Additional guidance may be found in FAA AC 21-43, Issuance of Production Approvals Under Subparts G, K, & O.

Boeing and an individual commenter requested that we revise the rule to require two accountable managers—one for production activities and one for design activities. These commenters claimed that two such accountable managers would better reflect the various responsibilities of PAH personnel, including those responsible for coordinating with FAA manufacturing inspection district offices (MIDOs) and aircraft certification offices (ACOs).

The FAA disagrees with the commenters' recommendation. The commenters are describing design-related activities and responsibilities. Because the public was not provided an opportunity to comment on an FAA requirement for an accountable manager for design activities, the FAA considers the recommendation to be outside the scope of this rulemaking. To clarify, the accountable manager described in this rule is required only to have responsibility for production operations, not design activities.

Garmin International and Williams International stated that there is no need for an accountable manager, and recommended instead a requirement that the PAH identify an FAA point of contact. In addition, Garmin stated that a better means to improve the FAA's access would be to require a PAH to clearly indicate how its organization will

communicate. Williams recommended that if the FAA has difficulty communicating with a particular PAH, that PAH should be required to clarify its own existing procedures.

The FAA disagrees with the commenters' recommendations. An accountable manager is not simply a point of contact. When issuing an approval or performing certificate management, the FAA must know who from the PAH has the authority to speak for the PAH and ensure compliance with all applicable regulatory requirements. Requiring a PAH to identify such an individual, one who is knowledgeable of and accountable for maintaining the PAH's FAA production approval, will improve communication between the PAH and the FAA offices responsible for certificate management of their production approval. A simple point of contact would not create the same benefits.

Universal Avionics Systems Corporation (UASC), Textron, and an individual commenter suggested identifying the accountable manager as the "Quality Manager." Textron stated that the rule could be misinterpreted as describing the PAH official in charge of production operations, instead of the person who runs the quality system. UASC and the individual commenter both observed that the FAA already requires accountable managers for repair stations. The individual commenter further stated that organizational differences between a typical PAH and a typical repair station make identifying a general manager as an accountable manager less appropriate for a PAH than for a repair station. Finally, UASC recommended incorporating the definition of "directly in charge" from part 145 (Repair Stations) into part 21, to better explain the role of "accountable manager." UASC stated that it believes the Accountable Manager is intended to be a quality person whom may not have responsibility for and authority over production operations.

The FAA disagrees with the commenters' recommendations. Although the FAA requires the establishment of a quality system as a prerequisite to obtaining a production approval, nowhere do we require a PAH to create an organizational position responsible solely for the PAH's quality system. Moreover, under this rule, the accountable manager must be at a sufficient level within the organization to have responsibility over all production operations, not just the quality system. For example, the accountable manager should have responsibility for, among other things, formally applying to add a new product or article to the PAH's production approval; formally requesting FAA approval for a change in location; amending the PAH's organization document and submitting that document to the FAA; ensuring support for design approval holders, as required by § 21.137(m); and formally submitting changes to the PAH's approved quality system.

We also disagree with the commenters' comparisons of part 21 and part 145 accountable managers. A PAH's accountable manager has different duties and responsibilities from the accountable manager of a repair station. Furthermore, the "directly in charge" definition from part 145 does not apply to a PAH's accountable manager. We are not requiring a PAH accountable manager to be "directly in charge" of the work performed by the production organization.

#### C. Authorized Release Documents

This final rule creates § 21.137(o), which permits a PAH to issue authorized release documents for new aircraft engines, propellers, and articles manufactured by that PAH, and for used aircraft engines, propellers, and articles rebuilt or altered in accordance with § 43.3(j), provided the PAH establishes and adheres to certain quality assurance procedures as part of its quality system. This final rule marks a slight change from what the FAA initially proposed: in response to comments, we explicitly restrict



each PAH to issuing authorized release documents for products and articles manufactured by the PAH itself.

Boeing recommended that the FAA consider requiring PAH personnel selected to issue authorized release documents to receive FAA training equivalent to what is currently required for designees. The FAA disagrees with the recommendation. Under this final rule, a PAH that chooses to issue authorized release documents must establish a training process for individuals the PAH selects to issue those documents. The PAH may choose to send its personnel to FAA designee training (if available), establish its own in-house training, or meet the requirement in some other manner. The rule establishes minimum requirements and permits the PAH to establish FAA-approved procedures to meet those requirements.

ASA stated that the rule does not give a PAH authority to issue FAA Form 8130-3 because the term “authorized release document” is not defined. The commenter also suggested changing the definition of airworthiness approval to add Airworthiness approval means a document issued by the FAA, or a person authorized by the FAA.

The FAA disagrees with ASA’s recommendations. As stated in § 21.1(b)(1), an airworthiness approval is a document that must be issued by the FAA. By this final rule, however, the FAA will now permit an authorized PAH to issue authorized release documents, using an FAA Form 8130-3, for new aircraft engines, propellers, and articles, and for used aircraft engines, propellers, and articles when rebuilt or altered in accordance with § 43.3(j). PAHs that intend to issue these documents must detail the appropriate procedures in their quality manual. To be clear, FAA regulations and policy distinguish between a document issued by the FAA (an airworthiness approval) and one issued by the PAH (an authorized release document). In addition, the latest version of

FAA AC 21-43, released concurrently with this final rule, clearly states that a PAH should use FAA Form 8130-3 when issuing an authorized release document.

ASA recommended extending the privilege of issuing an authorized release document beyond PAHs, to include distributors accredited in accordance with FAA AC 00-56, Voluntary Industry Distributor Accreditation Program. The commenter suggested that not doing so would create a significant competitive disadvantage for certain American businesses. More specifically, the commenter argued that failing to allow non-manufacturing distributors to issue authorized release documents would put those distributors at a competitive disadvantage.

The FAA disagrees with the recommendation. The FAA cannot extend this privilege to non-manufacturer distributors because they are not recognized PAHs and, therefore, lack FAA-approved quality systems. Quality systems are necessary to ensure that products and articles conform to their approved design and are in a condition for safe operation. The intent of this provision is to maintain the high level of safety achieved under the prior rules, while allowing FAA-approved PAHs to engage in a practice that is permitted by other authorities, such as the European Union and Canada, for their PAHs.

One individual commenter suggested that the FAA limit a PAH's authority so that the PAH could only issue authorized release documents for new or used aircraft engines, propellers, and articles that the PAH itself manufactured under part 21.

The FAA agrees with the commenter's proposal. Where a PAH was not involved in manufacturing a product or article, the PAH may not have the ability to make the appropriate conformity determination. Accordingly, this final rule limits a PAH's authority to issue authorized release documents to only those products and articles that particular PAH has manufactured.

Two individual commenters stated that allowing a PAH to issue Form 8130-3 as an authorized release document will reduce or be detrimental to aviation safety. One of these commenters pointed out that, prior to this final rule, FAA designees assigned to complete Form 8130-3 would occasionally turn back parts and articles due to issues discovered during the FAA conformity inspections. For that reason, the commenters claimed that eliminating designees' continued, objective inspections would reduce safety. Both commenters suggested keeping the current system.

The FAA disagrees with the commenters' characterization of how FAA Form 8130-3 has been used previously, as well as their recommendations. With respect to products and articles produced under a production approval, issuance of an FAA Form 8130-3 indicates that the product or article conforms to its type design and is in a condition for safe operation, unless otherwise specified. Even prior to this rulemaking, FAA Form 8130-3 did not (and does not now) indicate that a particular product or article has been inspected by the FAA or its designee.

Additionally, allowing a PAH, as opposed to an FAA employee or designee, to issue FAA Form 8130-3 will not cause a decrease in safety. Currently, Designated Manufacturing Inspection Representatives (DMIRs) or Organization Designation Authorization (ODA) unit members issue the vast majority of FAA Form 8130-3s. These designees are employed by the PAH and authorized by the FAA, and the FAA requires them to possess at least certain minimum qualifications and training, such as those described in FAA Orders 8100.8, 8000.95 and 8100.15. Similarly, under this final rule, any PAH seeking authority to issue FAA Form 8130-3 must first get FAA approval. As described in FAA AC 21-43, the FAA will not approve a PAH to issue FAA Form 8130-3 unless the PAH demonstrates that its authorized personnel possess the same

qualifications and receive training equivalent to what is required by FAA Orders 8100.8, 8000.95 and 8100.15 for FAA designees.

Timken Aerospace suggested that allowing PAHs to issue authorized release documents would add complexity to the existing process and increase the FAA's workload. The commenter recommended instead developing a system to assist PAHs in obtaining additional DMIRs.

The FAA disagrees with the recommendation. The FAA anticipates that permitting PAHs to issue authorized release documents will reduce the workload of both the FAA and PAHs. Our intent is to recognize a practice permitted by other authorities by giving FAA-approved PAHs the same flexibility available to their European and Canadian counterparts, who already issue authorized release documents. For PAHs with an approved system for issuing authorized release documents, the FAA will no longer authorize DMIRs or ODA unit members to issue airworthiness approvals.

Textron Aviation recommended that the FAA remove the regulatory language in our 2014 NPRM proposing to allow the use of authorized release documents for work performed under § 43.3(j). The commenter stated that this type of rebuilding work, and related use of FAA Form 8130-3, is already performed by PAH manufacturers.

The FAA disagrees with the recommendation. The commenter is correct that FAA Order 8130.21 allows certain entities to use FAA Form 8130-3 when returning to service rebuilt or altered engines, propellers, or articles in accordance with § 43.3(j). However, the FAA's final rule codifies our authorization of that practice and extends the same privilege to PAHs producing new aircraft engines, propellers, and articles.

Textron Aviation also claimed that FAA Order 8130.21 requires authorized persons to document inspection activity on an FAA Form 8100-1 when required by the

managing office, and recommended revising either § 21.137 or FAA Order 8130.21 to indicate that a PAH is not required to use FAA Form 8100-1 when issuing authorized release documents.

The FAA disagrees with both the commenter's claim and recommendation. Neither our prior rules, nor this final rule, requires a PAH to comply with the internal guidance in FAA Order 8130.21. More specifically, § 21.137(o) does not require any PAH to use FAA Form 8100-1 when issuing an FAA Form 8130-3. Furthermore, FAA Order 8130.21 does not require the use of FAA Form 8100-1, but an FAA managing office may determine that a conformity inspection report is necessary to substantiate an FAA-issued FAA Form 8130-3.

One individual commenter stated that allowing a PAH to develop its own procedures for signing authorized release documents will reduce or eliminate the standardization that exists among designees. The commenter recommended that requiring PAH personnel to take FAA training would facilitate greater standardization.

The FAA disagrees with the recommendation. When a PAH signs an authorized release document, the PAH is not signing that document on behalf of the FAA Administrator. The FAA requires any PAH that chooses to issue authorized release documents to establish minimum procedures, including training the employees responsible for issuing those documents. These procedures will be reviewed and, if acceptable, approved by the FAA, which will be conducive to standardization. Ultimately, however, the current proposal gives each PAH the flexibility to choose to send its personnel to FAA designee training (if available), establish their own in-house training, or meet the requirement in some other manner.

#### D. Definitions

This final rule revises one definition and adds two new definitions to § 21.1. The definition of “airworthiness approval,” in § 21.1(b)(1), is expanded to account for the issuance of an airworthiness approval in instances where an aircraft, aircraft engine, propeller, or article does not conform to its approved design or may not be in a condition for safe operation at the time the airworthiness approval is generated and that nonconformity or condition is specified on the airworthiness approval document. In response to comments, we revised the definition proposed in our NPRM to account for the fact that an airworthiness approval may in some cases be issued for products or articles that are not in a condition for safe operation, such as when those products or articles are packed for shipment.

As proposed, § 21.1(b)(5) defines an “interface component” as a functional interface between an aircraft and an aircraft engine, an aircraft engine and a propeller, or an aircraft and a propeller. Furthermore, an interface component is designated by the holder of the type certificate or the supplemental type certificate who controls the approved design data for that article. This definition is necessary because this final rule also promulgates § 21.147(c), which permits a PAH to apply to the FAA to amend its production certificate to allow the PAH to manufacture and install interface components. No change was made to the definition in this final rule from the NPRM.

Finally, as proposed, § 21.1(b)(10) defines a “supplier” as any person at any tier in the supply chain who provides a product, article, or service that is used or consumed in the design or manufacture of, or installed on, a product or article. This definition is necessary to clarify existing FAA requirements. No change was made to the definition in this final rule from the NPRM.

Timken Aerospace and one individual commenter recommended we revise our proposed airworthiness approval definition by moving “unless otherwise specified” to be the final clause. In other words, these commenters recommended changing the definition to a document which certifies that the aircraft, aircraft engine, propeller, or article conforms to its approved design and is in a condition for safe operation, unless otherwise specified. The commenters noted, for example, that an engine is not shipped from a factory in a complete and final condition, since it is prepped for shipping, and is therefore not in a condition for safe operation.

The FAA agrees with the commenters’ recommendation. There are many instances in which the FAA issues an airworthiness approval but, at the time of issuance, the product or article neither fully conforms to its approved design, nor is it in a condition for safe operation. For example, the FAA may issue an airworthiness approval for an aircraft that has been disassembled for shipping, for an engine that has preservation fluids installed prior to shipping, or for used aircraft engines and propellers that are not in a condition for safe operation (see § 21.331, Issuance of export airworthiness approvals for aircraft engines, propellers, and articles). We therefore revise the definition of airworthiness approval to a document, issued by the FAA for an aircraft, aircraft engine, propeller, or article, which certifies that the aircraft, aircraft engine, propeller, or article conforms to its approved design and is in a condition for safe operation, unless otherwise specified.

Also with respect to the airworthiness approval definition, Timken Aerospace recommended we use the phrase “except for deviations noted” instead of “unless otherwise specified,” to be more consistent with FAA Form 8130-9, Statement of Conformity.

The FAA disagrees with the recommendation. The concept of airworthiness is generally composed of two factors: conformity with an approved design and being in a condition for safe operation. In this context, the term “deviation” would indicate a variation from an approved design or quality system, but would not necessarily convey the fact that a product is not in a condition for safe operation. Accordingly, we determine that the phrase “unless otherwise specified” more accurately reflects the intent of our proposal.

Two individual commenters expressed concern that adding “unless otherwise specified” to the definition of airworthiness approval would change a fundamental premise of airworthiness approvals, that a product or article must conform to its design. The commenters recommended that the definition not be changed.

The FAA disagrees with the commenters. The issuance of an airworthiness approval, such as an export certificate of airworthiness, does not necessarily mean that a product is airworthy. FAA regulations, such as § 21.331, allow FAA personnel and designees to issue an airworthiness approval for a product or article that does not conform to its approved design, as long as the nonconforming condition is stated on the approval document and, in the case of export, the receiving authority agrees to accept the product or article as described. This final rule, therefore, simply brings the definition of Airworthiness Approval in line with current FAA practice and with part 21, subpart L. Contrary to the commenters’ suggestion, we are not changing the fundamental concept of airworthiness. Under current practices, an airworthiness approval is a means to show that the product or article conforms to its approved design and is in a condition for safe operation, unless otherwise specified.



One individual commenter stated that the definition of “supplier” is overbroad because it includes distributors of commercial off the shelf parts or parts not originally manufactured for aviation use. The same commenter also stated that the addition of the term “at any tier” will cause inconsistent and disparate interpretation within the FAA and undue burden to industry. The commenter did not provide any recommendations.

The FAA recognizes that by including the term “at any tier,” the proposed definition of “supplier” applies to all suppliers throughout the supply chain. Contrary to the commenter’s statement, the FAA believes including suppliers “at any tier” will reduce inconsistencies by confirming that the FAA definition of “supplier” applies to all suppliers, regardless of their position within the supply chain. Furthermore, the FAA does not believe this definition will unduly burden industry. To the extent that a supplier has only a tenuous connection to a PAH, perhaps because the supplier produces parts that are not specifically designed for use in aviation, it may be appropriate for the PAH to account for that attenuation when designing its supplier-reporting protocols. A PAH has always been responsible for assuring that its products and articles conform and are in a condition for safe operation. The inclusion of all suppliers within the regulatory definition of supplier should therefore impose no additional burden on either the PAH or its suppliers.

The same individual commenter also stated that there is no guidance for the suppliers of off-the-shelf parts, described above, who may not anticipate that their parts will be used or installed on type certificated aircraft and approved.

The FAA agrees with the commenter’s observation that there is no guidance provided specifically for distributors of parts not originally manufactured for aviation use or installation on type certificated aircraft and approved under § 21.8(c). The FAA

provides guidance to PAHs, repair stations, and other FAA-regulated entities. The FAA does not provide guidance for entities that fall outside the scope of FAA regulations.

#### E. Interface Components

As proposed, § 21.147(c) now permits a PAH to apply to the FAA for an amendment to the PAH's production limitation record (PLR), authorizing the PAH to manufacture and install interface components. If granted, the FAA will amend the PAH's PLR to add the interface components (IC). ICs are defined in the new § 21.1(b)(5). The FAA had previously granted exemptions to engine manufacturers, allowing them to manufacture and install airframe components that interface between the engine and the airframe, provided the engine manufacturer owned or licensed the ICs design and installation data.

Boeing and General Electric supported the rule change. Boeing also suggested the FAA allow engine manufacturers to install and certify airplane manufacturers' ICs during the engine type certification process.

The FAA disagrees with this recommendation as it is outside the scope of this rulemaking. Allowing engine manufacturers to install and certify airplane manufacturers' ICs during the engine TC process is a design issue, not a production issue. Our 2014 NPRM and this final rule focus on amendments to the production approval provisions in subpart G.

Williams International recommended that our final rule distinguish between all potential ICs versus those that are licensed to be both manufactured and installed by a PAH. The commenter suggested that defining ICs more narrowly would enable the FAA to include fewer items on the PAH's PLR, and as a result would require fewer PLR updates and impose less of a burden on the FAA.

The FAA agrees with the concerns raised by Williams International, but we have determined that the rule as drafted adequately addresses these concerns. Under §§ 21.1(b)(5) and 21.147(c), a component must meet certain criteria before it is considered an “interface component” eligible for the PAH’s PLR. For example, § 21.1(b)(5) requires, among other things, that an IC be designated as such by the TC or STC holder. The rule requires only those ICs the PAH intends to produce be listed on the PLR and not all possible ICs, so the PLR should not be an exhaustive list or a burden on the FAA.

#### F. Miscellaneous Issues

HEICO requested that the FAA define authorized release documents, to establish who is issuing the document. The FAA disagrees with the recommendation. The FAA does not believe it is necessary to provide a definition in the text of the rule. The FAA provides additional guidance on authorized release documents in the revised AC 21.43, Appendix B, which is applicable to any PAH.

One individual commenter stated that the title of the NPRM did not reflect recent changes from parts to articles in our 2009 final rule, Production and Airworthiness Approvals, Part Marking, and Miscellaneous Amendments, 74 FR 53384 (Oct. 16, 2009). The commenter recommended changing the title of part 21 to “Certification Procedures for Products, Articles, and Parts.” The FAA partially agrees with the recommendation and this final rule changes the title of part 21 to “Certification Procedures for Products and Articles.”

HEICO requested that we revise FAA Form 8130-3 attached as Appendix A, Figure A-1 to FAA Order 8130.21 to explicitly indicate who, including a PAH, is allowed to issue the document. The FAA disagrees with HEICO’s recommendation to

revise the form. Instead, we have revised FAA Order 8130.21 and ACs 21-43 and 21-44 to reflect the rule change allowing a properly authorized PAH to issue an authorized release document. In the ACs we also provide guidance to on how to complete FAA Form 8130-3.

Textron Aviation recommended that the FAA remove the requirement for the issuance of export airworthiness approvals for articles, believing that this change would better align FAA regulations with those of foreign authorities. The recommendation is outside the scope of this rulemaking. The FAA notes that the requirements for the issuance of export airworthiness approvals for articles are contained in subpart L. Although the FAA proposed allowing PAHs to issue authorized release documents in § 21.137, the proposal did not change the conditions specified in subpart L.

#### **IV. Regulatory Notices and Analyses**

##### **A. Regulatory Evaluation**

Changes to Federal regulations must undergo several economic analyses. First, Executive Orders 12866 and 13563 direct that each Federal agency shall propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 (Pub. L. 96-354), as codified in 5 U.S.C. § 603 et seq., requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (Pub. L. 96-39), as amended by the Uruguay Round Agreements Act (Pub. L. 103-465), prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. In developing U.S. standards, the Trade Act requires agencies to consider international standards and, where appropriate, that they be the basis of U.S. standards. Fourth, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4),

as codified in 2 U.S.C. § 1532, requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more annually (adjusted for inflation with base year of 1995). This portion of the preamble summarizes the FAA's analysis of the economic impacts of this final rule.

Department of Transportation Order DOT 2100.5 prescribes policies and procedures for simplification, analysis, and review of regulations. If the expected cost impact is so minimal that a proposed or final rule does not warrant a full evaluation, this order permits that a statement to that effect and the basis for it be included in the preamble if a full regulatory evaluation of the costs and benefits is not prepared. Such a determination has been made for this final rule. The reasoning for this determination follows.

As summarized in the table below, the provisions of this final rule (1) are minimal cost, (2) will impose no additional costs because the provisions will clarify only, or are current practice, or (3) are voluntary and therefore inherently cost-beneficial. Our determination has not changed from that made in the NPRM regulatory evaluation. The FAA received no comments to the docket on the NPRM regulatory evaluation. More detailed explanations follow the table.

<b>Provision</b>	<b>Costs/Benefits</b>
Require Identification of Accountable Manager	Minimal cost—Requires identification of an existing manager, who is responsible for and has authority over a Production Approval Holder (PAH)'s operations, as a PAH's primary contact with the FAA.
Allow PC Holders to Manufacture and Install Interface Components	Codifying the practice, previously allowed by exemption, will reduce regulatory compliance costs.

Modify Supplier Control Requirements	No additional cost—Clarifies existing requirement that PAHs are responsible for conformity throughout their supply chains and gives PAHs flexibility in establishing a supplier-reporting process for nonconforming releases.
Allow PAHs to Issue Authorized Release Documents for Aircraft Engines, Propellers and Articles	Voluntary, so expected benefits will exceed expected costs.
Exclude Fixed-Pitch Wooden Propellers from Fireproof Marking Requirements	The FAA found the exemption provides an equivalent level of safety. Codifying the practice, previously allowed by exemption, will reduce regulatory compliance costs.

### **1. Require Identification of an Accountable Manager**

Under this provision, the FAA will require each applicant for, or holder of, a Production Certificate (PC), Parts Manufacturer Approval (PMA), or Technical Standard Order (TSO) authorization to identify an accountable manager, who is responsible for, and has authority over, a PAH's operations, as a PAH's primary contact with the FAA. This provision is not intended to require the PAH to create a new position within its organization and will not mandate that an individual in a specific position be identified as the accountable manager. Consequently, the costs, if any, associated with this requirement are minimal.

### **2. Allow Production Certificate Holders to Manufacture and Install Interface Components**

PC holders previously could not install interface components (ICs) on their type-certificated products without an exemption. Previous regulations governing the production limitation record and the amendment of PCs restricted the PC holder to the manufacture of products only (aircraft, aircraft engines, or propellers) and did not

authorize installation.<sup>3</sup> The FAA has granted exemptions to engine manufacturers, allowing them to manufacture and install airframe components that interface between the engine and the airframe provided they own or are licensed to use the IC type design and installation data. In granting these exemptions, the FAA found that allowing engine manufacturers to produce and install ICs improved safety and efficiency by eliminating disassembly, reassembly and retesting, as well as related scoring of fatigue sensitive parts; damage to critical parts; and air/fuel/oil leaks.<sup>4</sup> This provision will codify the practice, previously allowed by exemption, of allowing PC holders to manufacture and install ICs, and will apply to any articles designated by the TC holder that interface between products. Therefore, this provision applies to the interface between propeller and aircraft engine and between propeller and aircraft, as well as between aircraft engine and aircraft.

Codifying the previous practice of allowing PC holders to manufacture and install ICs implies no change in safety benefits. Codifying the practice, however, will reduce regulatory costs since paperwork requirements involved in periodic application for and granting of exemptions will be eliminated.

### **3. Modification of Supply Control**

With this provision, the FAA intends to clarify existing requirements that the PAH is responsible for (1) conformity throughout the supply chain and (2) establishing a

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<sup>3</sup> Before 2010, §§ 21.142 (production limitation record) and 21.147 (amendment of production certificates) were codified at §§ 21.151 and 21.153, respectively.

<sup>4</sup> The production and installation of ICs by engine manufacturers also increase efficiency by allowing delivery of quick-change replacement engines to end users such as air carriers and charter operators. Some piece parts (or kits), such as the engine buildup unit (EBU), rather than being installed by the PC holder, may be shipped separately to an aircraft manufacturer for the purpose of just-in-time manufacturing operations, or to an airline that may want kits on hand for routine maintenance operations or to replace hardware damaged during operations.

supplier reporting process for nonconforming releases. As there was no definition of supplier in the previous regulations, the final rule defines supplier as a person that provides a product, article, or service at any tier in the supply chain that is used or consumed in the design or manufacture of, or installed on, a product or article.

The final rule changes the language to § 21.137(c) as shown in the following table:

<b>Previous Rule Language</b>	<b>Final Rule Language</b>
Supply Control—Procedures that (1) Ensure that each supplier-furnished product or article conforms to its approved design; and  (2) Require each supplier to report to the production approval holder if a product or article has been released from that supplier and subsequently found not to conform to the applicable design data.	Supply Control—Procedures that (1) Ensure that each supplier-provided product, article, or service conforms to the product approval holder’s requirements; and  (2) Establish a supplier reporting process for products, articles or services that have been released from the supplier and subsequently found not to conform to the production approval holder’s requirements.

As provision (1) clarifies the FAA’s intent and current practice and provision (2) gives PAHs greater flexibility, there will be no additional cost resulting from these provisions.

#### **4. Allow Production Approval Holders to Issue Authorized Release**

##### **Documents for Aircraft Engines, Propellers, and Articles**

Previously, only the FAA was allowed to document that an aircraft engine, propeller, or article conforms to its approved design and is in condition for safe operation. The FAA provides documentation with an airworthiness approval, using FAA Form 8130-3, “Authorized Release Certificate, Airworthiness Approval Tag.” This provision allows, but does not require, qualified PAHs to issue authorized release documents, using FAA Form 8130-3, for aircraft engines, propellers, and articles for which the PAH has a production approval. We refer to the issuance of Form 8130-3 by a PAH as an



“authorized release document” because, as defined by 14 CFR § 21.1(b)(1), only the FAA is allowed to issue an airworthiness approval. PAHs choosing not to issue these authorized release documents may continue to obtain approvals from the FAA.

Although such airworthiness documentation is required only when requested by a foreign civil aviation authority, it has become increasingly valued in the aviation industry. Several U.S. manufacturers have requested the privilege to issue such documentation, which is already enjoyed by their European and Canadian counterparts. As it is voluntary, this provision is inherently cost beneficial.<sup>5</sup>

### **5. Marking of Fixed-Pitch Wooden Propellers**

As noted in the preamble above, the FAA granted an exemption to Sensenich Wood Propeller Company from the regulations requiring that a propeller, propeller blade, or propeller hub be marked using an approved fireproof method. In granting the exemption, the FAA found that stamping the hub of the propeller with the identification markers will achieve an equivalent level of safety to the rule. The FAA maintains that finding in this final rule and, in any case, codifying the practice, previously allowed by exemption, implies no change in safety benefits.<sup>6</sup> Codifying the practice, however, will reduce regulatory costs since the costs of paperwork requirements involved in periodic application for and granting of the exemptions will be eliminated.

The FAA made this minimal cost determination for the proposed rule. As no comments were received, the FAA concludes the expected cost is minimal.

### **B. Regulatory Flexibility Determination**

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<sup>5</sup> For aircraft, an export airworthiness approval will continue to be issued only by the FAA, using Form 8130-4, “Export Certificate of Airworthiness.”

<sup>6</sup> Variable-pitch wooden propellers do not require exception from the fireproof marking requirement since they have metal hubs.

The Regulatory Flexibility Act of 1980 (Pub. L. 96-354) (RFA) establishes as a principle of regulatory issuance that agencies shall endeavor, consistent with the objectives of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of the businesses, organizations, and governmental jurisdictions subject to regulation. To achieve this principle, agencies are required to solicit and consider flexible regulatory proposals and to explain the rationale for their actions to assure that such proposals are given serious consideration. The RFA covers a wide-range of small entities, including small businesses, not-for-profit organizations, and small governmental jurisdictions.

Agencies must perform a review to determine whether a rule will have a significant economic impact on a substantial number of small entities. If the agency determines that it will, the agency must prepare a regulatory flexibility analysis as described in the RFA.

However, if an agency determines that a rule is not expected to have a significant economic impact on a substantial number of small entities, section 605(b) of the RFA provides that the head of the agency may so certify and a regulatory flexibility analysis is not required. The certification must include a statement providing the factual basis for this determination, and the reasoning should be clear.

The provisions of this final rule (1) are minimal cost, (2) would impose no additional costs because the provisions would clarify only, or are current practice, or (3) are voluntary. We received no comments regarding our determination that there was no significant impact on a substantial number of small entities in the NPRM.

Therefore, as provided in section 605(b), the head of the FAA certifies that this final rule will not have a significant economic impact on a substantial number of small entities.

#### C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96-39), as amended by the Uruguay Round Agreements Act (Pub. L. 103-465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards.

The FAA has assessed the potential effect of this final rule and determined that the rule's provision allowing PAHs to issue authorized release documents for purposes of export would be in accordance with the Trade Agreements Act as this provision uses European standards as the basis for United States regulation. The remaining provisions have a minimal domestic impact only and therefore no effect on international trade.

#### D. Unfunded Mandates Assessment

Title II of the Unfunded Mandates Reform Act of 1995 (Public Law 104-4) requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed or final agency rule that may result in an expenditure of \$100 million or more (in 1995 dollars) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector; such a mandate is deemed to be a

"significant regulatory action." The FAA currently uses an inflation-adjusted value of \$155 million in lieu of \$100 million. This final rule does not contain such a mandate; therefore, the requirements of Title II of the Act do not apply.

#### E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. § 3507(d)) requires that the FAA consider the impact of paperwork and other information collection burdens imposed on the public. The FAA has determined that there is no new requirement for information collection associated with this final rule.

#### F. International Compatibility and Cooperation

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. The FAA reviewed the corresponding ICAO Standards and Recommended Practices and identified no differences with these regulations.

Executive Order 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to meet shared challenges involving health, safety, labor, security, environmental, and other issues and to reduce, eliminate, or prevent unnecessary differences in regulatory requirements. The FAA analyzed this action under the policies and agency responsibilities of Executive Order 13609, and determined that this action has no significant effect on international regulatory cooperation. To the extent that this final rule may conflict with the implementing protocols of any FAA bilateral aviation safety agreements, the FAA will amend those protocols in coordination with our international partners.

#### G. Environmental Analysis

FAA Order 1050.1E identifies FAA actions that are categorically excluded from preparation of an environmental assessment or environmental impact statement under the National Environmental Policy Act in the absence of extraordinary circumstances. The FAA has determined this rulemaking action qualifies for the categorical exclusion identified in paragraph 312f and involves no extraordinary circumstances.

## **V. Executive Order Determinations**

### **A. Executive Order 13132, Federalism**

The FAA has analyzed this final rule under the principles and criteria of Executive Order 13132, Federalism. The agency determined that this action will not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, does not have Federalism implications.

### **B. Executive Order 13211, Regulations that Significantly Affect Energy Supply, Distribution, or Use**

The FAA analyzed this final rule under Executive Order 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). The agency has determined that it is not a “significant energy action” under the executive order and it is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

## **VI. How To Obtain Additional Information**

### **A. Rulemaking Documents**

An electronic copy of a rulemaking document may be obtained by using the Internet by —

1. Search the Federal eRulemaking Portal (<http://www.regulations.gov>);

2. Visit the FAA's Regulations and Policies Web page at

[http://www.faa.gov/regulations\\_policies/](http://www.faa.gov/regulations_policies/) or

3. Access the Government Printing Office's Web page at

<http://www.gpo.gov/fdsys/>.

Copies may also be obtained by sending a request (identified by notice, amendment, or docket number of this rulemaking) to the Federal Aviation Administration, Office of Rulemaking, ARM-1, 800 Independence Avenue SW., Washington, DC 20591, or by calling (202) 267-9680.

#### B. Comments Submitted to the Docket

Comments received may be viewed by going to <http://www.regulations.gov> and following the online instructions to search the docket number for this action. Anyone is able to search the electronic form of all comments received into any of the FAA's dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.).

#### C. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996 requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document, may contact its local FAA official, or the person listed under the FOR FURTHER INFORMATION CONTACT heading at the beginning of the preamble. To find out more about SBREFA on the Internet, visit

[http://www.faa.gov/regulations\\_policies/rulemaking/sbre\\_act/](http://www.faa.gov/regulations_policies/rulemaking/sbre_act/).

#### **List of Subjects**

14 CFR Part 21

Aircraft, Aviation safety, Exports, Imports, Reporting and recordkeeping requirements.

14 CFR Part 45

Aircraft, Exports, Signs and symbols

**The Amendment**

In consideration of the foregoing, and under the authority of 49 U.S.C. 106(f) and 44701(a)(5), the Federal Aviation Administration proposes to amend chapter I of title 14, Code of Federal Regulations as follows:

**PART 21—CERTIFICATION PROCEDURES FOR PRODUCTS AND ARTICLES**

1. The authority citation for part 21 continues to read as follows:

**Authority:** 42 U.S.C. 7572; 49 U.S.C. 106(g), 40105, 40113, 44701-44702, 44704, 44707, 44709, 44711, 44713, 44715, 45303.

2. The heading for part 21 is revised to read as set forth above.

3. Amend § 21.1 by revising paragraph (b)(1), redesignating paragraphs (b)(5) through (b)(8) as (b)(6) through (b)(9), and adding new paragraphs (b)(5) and (b)(10) to read as follows:

**§ 21.1 Applicability and definitions.**

\* \* \* \* \*

(b) \* \* \*

(1) *Airworthiness approval* means a document, issued by the FAA for an aircraft, aircraft engine, propeller, or article, which certifies that the aircraft, aircraft engine,

propeller, or article conforms to its approved design and is in a condition for safe operation, unless otherwise specified;

\* \* \* \* \*

(5) *Interface component* means an article that serves as a functional interface between an aircraft and an aircraft engine, an aircraft engine and a propeller, or an aircraft and a propeller. An interface component is designated by the holder of the type certificate or the supplemental type certificate who controls the approved design data for that article;

\* \* \* \* \*

(10) *Supplier* means a person at any tier in the supply chain who provides a product, article, or service that is used or consumed in the design or manufacture of, or installed on, a product or article.

4. Revise § 21.135 to read as follows:

**§ 21.135 Organization.**

(a) Each applicant for or holder of a production certificate must provide the FAA with a document—

(1) Describing how its organization will ensure compliance with the provisions of this subpart;

(2) Describing assigned responsibilities, delegated authorities, and the functional relationship of those responsible for quality to management and other organizational components; and

(3) Identifying an accountable manager.

(b) The accountable manager specified in paragraph (a) of this section must be responsible within the applicant's or production approval holder's organization for, and



have authority over, all production operations conducted under this part. The accountable manager must confirm that the procedures described in the quality manual required by § 21.138 are in place and that the production approval holder satisfies the requirements of the applicable regulations of subchapter C, Aircraft. The accountable manager must serve as the primary contact with the FAA.

5. Amend § 21.137 by revising paragraphs (c)(1) and (2) and adding paragraph (o) to read as follows:

**§ 21.137 Quality system.**

\* \* \* \* \*

(c) \* \* \*

(1) Ensure that each supplier-provided product, article, or service conforms to the production approval holder's requirements; and

(2) Establish a supplier-reporting process for products, articles, or services that have been released from or provided by the supplier and subsequently found not to conform to the production approval holder's requirements.

\* \* \* \* \*

(o) *Issuing authorized release documents.* Procedures for issuing authorized release documents for aircraft engines, propellers, and articles if the production approval holder intends to issue those documents. These procedures must provide for the selection, appointment, training, management, and removal of individuals authorized by the production approval holder to issue authorized release documents. Authorized release documents may be issued for new aircraft engines, propellers, and articles manufactured by the production approval holder; and for used aircraft engines, propellers, and articles when rebuilt, or altered, in accordance with § 43.3(j) of this chapter. When a production

approval holder issues an authorized release document for the purpose of export, the production approval holder must comply with the procedures applicable to the export of new and used aircraft engines, propellers, and articles specified in § 21.331 and the responsibilities of exporters specified in § 21.335.

6. Revise § 21.142 to read as follows:

**§ 21.142 Production limitation record.**

The FAA issues a production limitation record as part of a production certificate. The record lists the type certificate number and model of every product that the production certificate holder is authorized to manufacture, and identifies every interface component that the production certificate holder is authorized to manufacture and install under this part.

7. Revise § 21.147 to read as follows:

**§ 21.147 Amendment of production certificates.**

(a) A holder of a production certificate must apply for an amendment to a production certificate in a form and manner prescribed by the FAA.

(b) An applicant for an amendment to a production certificate to add a type certificate or model, or both, must comply with §§ 21.137, 21.138, and 21.150.

(c) An applicant may apply to amend its production limitation record to allow the manufacture and installation of an interface component, provided—

(1) The applicant owns or has a license to use the design and installation data for the interface component and makes that data available to the FAA upon request;

(2) The applicant manufactures the interface component;

(3) The applicant's product conforms to its approved type design and the interface component conforms to its approved type design;

(4) The assembled product with the installed interface component is in a condition for safe operation; and

(5) The applicant complies with any other conditions and limitations the FAA considers necessary.

8. Revise § 21.305 to read as follows:

**§ 21.305 Organization.**

(a) Each applicant for or holder of a PMA must provide the FAA with a document—

(1) Describing how its organization will ensure compliance with the provisions of this subpart;

(2) Describing assigned responsibilities, delegated authorities, and the functional relationship of those responsible for quality to management and other organizational components; and

(3) Identifying an accountable manager.

(b) The accountable manager specified in paragraph (a) of this section must be responsible within the applicant's or production approval holder's organization for, and have authority over, all production operations conducted under this part. The accountable manager must confirm that the procedures described in the quality manual required by § 21.308 are in place and that the production approval holder satisfies the requirements of the applicable regulations of subchapter C, Aircraft. The accountable manager must serve as the primary contact with the FAA.

9. Revise § 21.605 to read as follows:

**§ 21.605 Organization.**

(a) Each applicant for or holder of a TSO authorization must provide the FAA with a document—

(1) Describing how its organization will ensure compliance with the provisions of this subpart;

(2) Describing assigned responsibilities, delegated authorities, and the functional relationship of those responsible for quality to management and other organizational components; and

(3) Identifying an accountable manager.

(b) The accountable manager specified in paragraph (a) of this section must be responsible within the applicant's or production approval holder's organization for, and have authority over, all production operations conducted under this part. The accountable manager must confirm that the procedures described in the quality manual required by § 21.608 are in place and that the production approval holder satisfies the requirements of the applicable regulations of subchapter C, Aircraft. The accountable manager must serve as the primary contact with the FAA.

## **PART 45—IDENTIFICATION AND REGISTRATION MARKING**

10. The authority citation for part 45 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113-40114, 44101-44105, 44107-44111, 44504, 44701, 44708-44709, 44711-44713, 44725, 45302-45303, 46104, 46304, 46306, 47122.

11. Revise § 45.11(c) introductory text to read as follows:

### **§ 45.11 Marking of products.**

\* \* \* \* \*

(c) *Propellers and propeller blades and hubs.* Each person who produces a propeller, propeller blade, or propeller hub under a type certificate or production

certificate must mark each product or part. Except for a fixed-pitch wooden propeller, the marking must be accomplished using an approved fireproof method. The marking must—

\* \* \* \* \*

Issued under authority provided by 49 U.S.C. 106(f), 44701(a), and 44703 in  
Washington, DC, on September 25, 2015.

**Michael P. Huerta,**  
*Administrator.*

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